

Malawi Stock Exchange (MSE) trading activity

The Malawi All Share Index (MASI) gained by 0.19% to close the week at 45,344.25 points from 45,260.25 points in the previous week due to share price gains in NBM (0.002%), STANDARD (0.001%) and TNM (2.65%), which offset a share price loss in NBS (-0.04%). The market traded 33,868,010 shares at a consideration of K948.94m in 82 trades during the week, compared to 2,607,273 shares traded at a consideration of K122.14m in 58 trades in the previous week. The year-to-date return on MASI stands at -0.05% compared to 1.89% for the same period in 2021 (Source: MSE).

Corporate news

Standard Bank (Malawi) Plc published its financial results for the year ended 31st December 2021. The Group realised a profit after tax (PAT) of K24.77b during the period, an increase of 4% from the PAT of K23.74b realised in 2020. Total revenue grew by 31% driven by growth in both net interest income (25%) and non-interest revenue (41%). Operating costs increased by 20%, impacted by an increase in prices of goods and services as well as investments in technology in line with the Group's digital transformation strategy (Source: Standard Bank).

MyBucks Banking Corporation Medium Term Note coupon payment

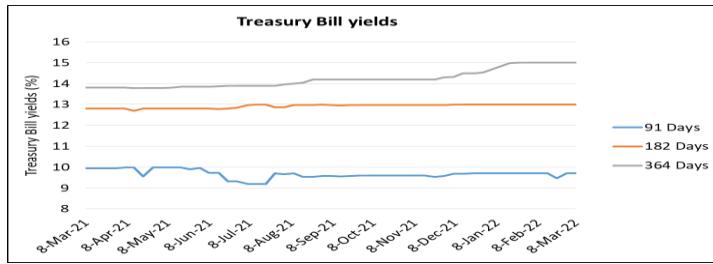
Tranche amount	Coupon rate (%)	Last day to register	Payment date	Payment period
K3.00b	12.80%	25-Mar-22	31-Mar-22	1-Jan-2022 to 31-Mar-2022
K6.00b	18.29%	25-Mar-22	31-Mar-22	1-Jan-2022 to 31-Mar-2022

Upcoming dividends

Company	Dividend type	Dividend (K)	Last day to register	Payable
ILLOVO	Final	4.00	25-Mar-22	31-Mar-22
NBM	2nd Interim	15.00	11-Mar-22	31-Mar-22
STANDARD	Final	8.52	TBA	TBA

Government securities

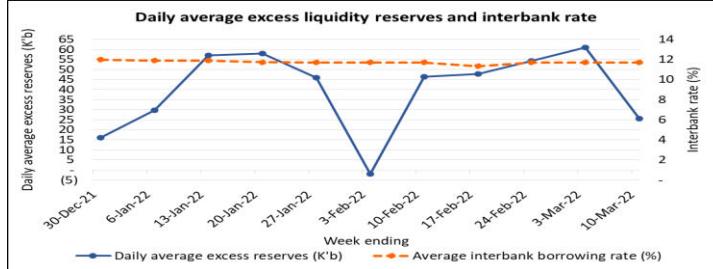
Government raised K10.26b during the week's auction for Treasury Bills (TBs) compared to K11.22b raised in the previous week. The auction registered no rejection on the submitted bids. The all-type average TB yield was stable at 12.5667% as the 91-day, 182-day and 364-day yields were steady at 9.7000%, 13.0000% and 15.0000%, respectively (Source: RBM).



Government also raised K8.63b during an auction of a 7-year Infrastructure Development Bond (ID). Maturities of Government securities for the week amounted to K11.90b. RBM conducted OMO reverse repo auctions amounting to K4.00b and maturities of OMO reverse repos for the week amounted to K2.57b. This resulted in a net withdrawal of K5.56b from the market compared to a net withdrawal of K19.21b in the previous week (Source: RBM).

Market liquidity and interbank market activity

Average daily excess liquidity reserves decreased to K25.62b from K60.93b in the previous week. Daily average interbank borrowing decreased to the average of K16.20b compared to K22.15b in the previous week. The average interbank borrowing rate was steady at 11.70%. Borrowing on the Lombard Facility increased to the average of K37.45b per day during the week, compared to K11.66b per day in the previous week (Source: RBM).


Foreign exchange market developments

The Kwacha appreciated by 0.10% to trade at K823.4418/USD as at 10th March 2022 from K824.2454/USD as at 4th March 2022. In the same period, the Kwacha also appreciated against GBP by 0.27%, but depreciated against EUR and ZAR by 13.14% and 0.96%, respectively. Gross official foreign reserves stood at USD385.40 million (1.54 months of import cover) as at 28th February 2022, down from USD399.98 million (1.60 months of import cover) as at 31st January 2022 (Source: RBM). The recommended minimum import cover is 3 months.

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Stock market			
11-Mar-22	% Δ	4-Mar-22	
MASI	45,344.25	0.19%	45,260.25
DSI	37,072.88	0.20%	36,998.14
FSI	4,182.23	0.00%	4,182.23
Traded volume	33,868,010	119.98%	2,607,273
Number of trades	82	41.38%	58
Value of shares traded (K'm)	948.94	676.92%	122.14
Market capitalisation (K'm)	2,458,132.51	0.18%	2,453,631.73
Gainers	Closing price (K)	% Δ	Opening price (K)
NBM	900.04	0.002%	900.02
STANDARD	1400.08	0.001%	1400.07
TNM	17.45	2.65%	17.00
Losers	Closing price (K)	% Δ	Opening price (K)
NBS	22.80	-0.04%	22.81
Treasury Bill auctions			
Auction date	8-Mar-22	% pts Δ	1-Mar-22
Amount offered - cost value (K'm)	7,541.00	0.00%	7,541.00
Applied - cost value (K'm)	10,256.54	-8.59%	11,220.79
Allotted - cost value (K'm)	10,256.54	-8.59%	11,220.79
Overall rejection rate	0.00%	0.00%	0.00%
91 days yield	9.7000%	0.0000%	9.7000%
182 days yield	13.0000%	0.0000%	13.0000%
364 days yield	15.0000%	0.0000%	15.0000%
All-type yield	12.5667%	0.0000%	12.5667%
Treasury Note and Bond auctions			
Auction date	8-Mar-22	1-Mar-22	22-Feb-22
Tenors	7-Year Infrastructure Development Bond	2 years	7 years
Coupon rate	14.50%	10.00%	13.50%
Amount offered - cost value (K'b)	10.00	43.61	58.15
Total applied - cost value (K'b)	8.63	50.21	6.64
Total allotted - cost value (K'b)	8.63	50.21	6.59
Allotted - weighted average ytm	22.47%	16.85%	21.98%
Current yields for Treasury Notes			
Tenor	Last auction's yield	Last auction	Next auction
2 years	16.85%	1-Mar-22	TBA
3 years	19.33%	8-Feb-22	TBA
5 years	20.78%	25-Jan-22	22-Mar-22
7 years	21.98%	22-Feb-22	TBA
7-Year Development Bond	22.47%	8-Mar-22	TBA
10 years	22.98%	18-Jan-22	TBA
10-year infrastructure bond	23.25%	17-Aug-21	TBA
Upcoming Treasury Note auctions			
Auction date	Tenor	Amount (K'b)	Last auction's coupon rate
22-Mar-21	5 years	48.15	12.50%
Projected maturities			
Week ending	11-Mar-22	18-Mar-22	25-Mar-22
TBs, PNs & TNS (K'm)	11,904	25,576	4,006
OMO repos (K'm)	0	0	1,028
OMO reverse repos (K'm)	2,569	0	150,215
Reference rate			
Rate	Mar-22	% pts Δ	Feb-22
	12.20%	0.00	12.20%
Inflation rate			
Rate	Jan-22	% pts Δ	Dec-21
	12.1%	0.6	11.5%
Closing TT mid exchange rates			
USD	823.4418	-0.10%	824.2454
GBP	1270.4181	-0.27%	1273.8286
EUR	1236.8763	13.14%	1093.2682
ZAR	65.0147	0.96%	64.3934
Gross official foreign exchange reserves position			
28-Feb-22	31-Jan-22	31-Dec-21	
Reserves (USD'm)	385.40	399.98	429.17
Import cover (months)	1.54	1.60	1.72

Sources: MSE, RBM, NSO, AHL

Expected financial results for the year ended 31st December 2021			
Company	Expected change for FY 2021	FY 2020 profit after tax (K'bf)	
Airtel Malawi Plc	35%	22.09	
Blantyre Hotels Plc	-93%	(0.45)	
Illovo Sugar Malawi Plc (Year ended 28 February 2022)	45%	2.74	
FMB Capital Holdings Plc (US\$' million)	75%	21.28	
MPICO Plc	40%	4.34	
National Bank of Malawi Plc	30%	22.45	
National Investment Trust Plc	200%	1.48	
NBS Bank Plc	20%	7.05	
Press Corporation Plc	50%	19.90	
Sunbird Tourism Plc	150%	1.18	
Telekom Networks Malawi Plc	20%	7.73	

Source: MSE